



NEWS RELEASE

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WESTERN DISTRICT OF MISSOURI

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FOR IMMEDIATE RELEASE

FORMER INVESTMENT ADVISOR SENTENCED FOR FRAUD CONSPIRACY

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a former Kansas City investment advisor was sentenced today for mail fraud, money laundering, and a tax conspiracy to defraud the United States by not withholding or paying any employment taxes, by paying employees in cash and by encouraging employees not to report income to the Internal Revenue Service.

Bradley A. Henrichs, 42, of Kansas City, Mo., was sentenced by U.S. District Judge Scott O. Wright this morning to seven years in prison without parole for one count of money laundering, five years in prison without parole for one count of mail fraud, and five years in prison without parole for one count of conspiracy to interfere with the ascertainment and collection of income taxes due to the United States; those sentences are to be served concurrently. The court also ordered **Henrichs** to pay restitution of \$739,849.37, and ordered the criminal forfeiture of a 1978 Ferrari automobile that **Henrichs** purchased for \$23,500 from the proceeds of fraudulent activity.

Deana R. Bashor, 47, of Cameron, a co-defendant who worked as **Henrichs**' office manager, pleaded guilty to her role in the tax conspiracy on February 14, 2002, and awaits sentencing.

Henrichs pleaded guilty on March 14, 2002, to a scheme to defraud elderly clients of his investment businesses. Beginning as early as 1989, Graves said, **Henrichs** bilked an unspecified number of clients of an unspecified amount of money by making a series of false representations to them.

(MORE)

INVESTMENT ADVISOR

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A large percentage of the bogus investments solicited by **Henrichs** was issued through an entity known as Capital Asset Management Corporation (CAM), Graves explained, a business which investors did not know was owned and operated by **Henrichs** himself, and whose assets **Henrichs** used as though they were his own. CAM was incorporated by **Henrichs** in 1988 but was administratively dissolved by the state of Missouri in 1991 for failure to file required annual reports.

Henrichs also issued investments in the names of Keystone Development Corporation and Aspen Leaf Development Corporation, Graves said, although the funds placed in those investments were actually deposited into CAM's account and used by **Henrichs** for purposes that he did not disclose to his clients.

By pleading guilty, Graves explained, **Henrichs** admitted that he:

- * Provided clients with bogus documents that purported to show their investments in certificates of deposit, stocks in publicly traded companies, and interest bearing notes.
- * Used funds that he collected through his solicitations for his personal expenses, to finance his other business entities, to cash-out other investors, to fund monthly investor interest payments, and to repay fraudulently acquired bank loans.
- * Falsely told investors that their funds were insured by the Securities Investors Protection Corporation, when in fact they were not.
- * Falsely told investors that funds invested through CAM were tax-free, or that CAM would pay all taxes due on the investments to the IRS, when in fact the investments were not tax-free, and CAM did not pay the IRS on any occasion relative to the investors.

Henrichs also conspired from 1995 to 1999 to defraud the United States, Graves said, by impeding the IRS from the computation, assessment and collection of income and employment taxes for employees of **Henrichs's** businesses.

Henrichs did not withhold or pay any employment taxes, Graves said, and did not report to the IRS substantial wages paid to employees. **Henrichs** also enlisted employees in the scheme by convincing them not to report income to the IRS for the calendar years 1995, 1996, 1997, 1998 and 1999. Approximately 15 to 20 employees were paid in cash weekly, Graves said, having been persuaded that the case was tax free so that **Henrichs** could try to remain invisible to the IRS. Annual payroll during those years ranged from \$53,300 to \$270,478.

The case is being prosecuted by Assistant U.S. Attorney Kenneth E. Weinfurt. It was investigated by the Federal Bureau of Investigation and IRS Criminal Investigation.

This news release, as well as additional information about the office of the United States Attorney

for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow